

SUMMARY ANALYSIS OF AMENDED BILL

Franchise Tax Board

Author: Kehoe, et. Al. Analyst: Marion Mann DeJong Bill Number: AB 29X

Related Bills: See Prior Analysis Telephone: 845-6979 Amended Date: 04/05/2001

Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: Exclusion/Grants or Loans for Construction & Retrofitting Buildings to be More Energy Efficient

DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended _____.

AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.

☒ AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERNS stated in the previous analysis of bill as amended March 5, 2001.

☒ FURTHER AMENDMENTS NECESSARY.

DEPARTMENT POSITION CHANGED TO _____.

☒ REMAINDER OF PREVIOUS ANALYSIS OF BILL AS AMENDED March 5, 2001, STILL APPLIES.

OTHER - See comments below.

SUMMARY

Among other things, this bill would create various programs to promote energy conservation and new energy systems. These programs would include tax-exempt grants for making buildings more energy efficient.

This analysis will address only the income exclusion of the tax-exempt grants.

SUMMARY OF AMENDMENTS

The April 5, 2001, April 4, 2001, April 3, 2001, and April 2, 2001, amendments modified provisions of the bill that do not impact the department.

The March 28, 2001, amendments deleted the tax-exempt grants for replacing energy inefficient appliances, added various other programs to promote energy conservation that do not impact the department, and changed appropriation amounts.

The March 22, 2001, amendments modified provisions relating to interval meters and changed the appropriation amounts.

Board Position:

<input type="checkbox"/> S	<input type="checkbox"/> NA	<input type="checkbox"/> NP
<input type="checkbox"/> SA	<input type="checkbox"/> O	<input type="checkbox"/> NAR
<input type="checkbox"/> N	<input type="checkbox"/> OUA	<input checked="" type="checkbox"/> PENDING

Legislative Director

Date

Brian Putler

04/11/01

Although the amendments deleted one tax-exempt grant program, the bill still contains an income exclusion of the tax-exempt grants for making buildings more energy efficient. Except for discussions relating to tax-exempt grants for replacing energy inefficient appliances, the department's analysis of the bill as amended March 5, 2001, still applies. The "Position," "Implementation Concerns," and "Amendments" from the prior analysis have been updated to reflect the amendments and are provided below for your convenience.

POSITION

Pending.

IMPLEMENTATION CONCERNS

The gross income exclusion for grants received under this bill should be placed in the Revenue and Taxation Code to enable taxpayers and the department to look to one code for income tax provisions. Amendments 1, 2, 3, and 4 are provided to place the income exclusion in the Personal Income Tax and Bank and Corporation Tax Laws.

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FRANCHISE TAX BOARD'S
PROPOSED AMENDMENTS TO AB 29X
As Amended April 5, 2001

AMENDMENT 1

On page 48, strike out line 5 and insert:

SEC. 13. Section 17147.3 is added to the Revenue and Taxation Code to read:
17147.3. Gross income shall not include the amount of any grant awarded pursuant to Article 2 (commencing with Section 25433) of Chapter 5.3 of Division 15 of the Public Resources Code, relating to energy conservation.

SEC. 14. Section 24329 is added to the Revenue and Taxation Code to read.
24329. Gross income shall not include the amount of any grant awarded pursuant to Article 2 (commencing with Section 25433) of Chapter 5.3 of Division 15 of the Public Resources Code, relating to energy conservation.

SEC. 15. No reimbursement is required by this act pursuant

AMENDMENT 2

On page 48, line 23, strike out "Sec. 14." and insert:

SEC. 16.

AMENDMENT 3

On page 54, line 29, strike out "Sec. 14.5." and insert:

SEC. 17.

AMENDMENT 4

On page 55, line 35, strike out "Sec. 15." and insert:

SEC. 18.